#### **UNITEDSTATES** SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

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Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING_	01/01/2016	AND ENDING	12/31/2016
	MM/DD/YY		MM/DD/YY
A. REC	SISTRANT IDENTIFI	CATION	
NAME OF BROKER-DEALER: RF Lafferty & Co, Inc.  ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)			OFFICIAL USE ONLY
			FIRM I.D. NO.
40 Wall Street, Suite 1901			
	(No. and Street)		
New York (City)	New York (State)		10005 (Zip Code)
NAME AND TELEPHONE NUMBER OF PE Henry Hackel	RSON TO CONTACT IN I	REGARD TO THIS RE	EPORT (212)-293-9090
			(Area Code – Telephone Number
B. ACC	DUNTANT IDENTIFI	CATION	
INDEPENDENT PUBLIC ACCOUNTANT w  Lerner & Sipkin, CPAs, LLP		•	
•	Name – if individual, state last, j	first, middle name)	
132 Nassau Street, Suite 1023	New York	NY	10038
(Address)	(City)	(State)	(Zip Code)
CHECK ONE:  X Certified Public Accountant Public Accountant Accountant not resident in University	ted States or any of its poss	sessions.	
	FOR OFFICIAL USE O	NLY	

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

> Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.



#### **OATH OR AFFIRMATION**

I, Henry Hackel	, swear (or affirm) that, to the best of
my knowledge and belief the accompanying financial statement and support	ting schedules pertaining to the firm of
RF Lafferty & Co, Inc., as of December 31, 2016, are true and correct. I f	urther swear (or affirm) that
neither the company nor any partner, proprietor, principal officer or directo	r has any proprietary interest in any account
classified solely as that of a customer, except as follows:	•
HOLLY BEGLEY	
Notary Public - State of New York	200
No. 01BE6084861  Qualified in New York County  My Commission Expires Feb. 3,	Signature
	President
	Title

This report \*\* contains (check all applicable boxes):

- X(a) Facing Page.
- X(b) Statement of Financial Condition.
  - (c) Statement of Income (Loss).
  - (d) Statement of Cash Flows.
  - (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
  - (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
  - (g) Computation of Net Capital.
  - (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
  - (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
  - (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
  - (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- X(l) An Oath or Affirmation.
  - (m) A copy of the SIPC Supplemental Report.
  - (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

<sup>\*\*</sup>For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

#### R.F. Lafferty & Co., Inc.

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132 Nassau Street, New York, NY 10038 Tel 212.571.0064 / Fax 212.571.0074

Jay Lerner, C.P.A. jlcrner@lernerslpkin.com

Joseph G. Sipkin, C.P.A. isipkin@lernersipkin.com

#### INDEPENDENT AUDITORS' REPORT

To the Stockholders of R.F. Lafferty & Co., Inc. 40 Wall Street – Suite 1901 New York, NY 10005

We have audited the accompanying statement of financial condition of R.F. Lafferty & Co., Inc. (the Company) as of December 31, 2016. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

Management is responsible for the preparation and fair presentation of the statement of financial condition in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the statement of financial condition that is free from material misstatement, whether due to fraud or error.

We conducted our audit in accordance with the standards of Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of R.F. Lafferty & Co., Inc. as of December 31, 2016 in conformity with accounting principles generally accepted in the United States.

Serner & Lipl.: CPAs LLP Lerner & Sipkin CPAs, LLP Certified Public Accountants (NY)

New York, NY February 2, 2017

## STATEMENT OF FINANCIAL CONDITION DECEMBER 31, 2016

ASSETS	
Cash and cash equivalents	\$ 401,192
Due from broker	451,994
Commissions receivable	196,832
Securities - at market value (Note 3)	932,607
Fixed assets, net of accumulated depreciation of \$396250 (Note e))	51,493
Other assets	179,047
Total assets	\$ 2,213,165
LIABILITIES AND STOCKHOLDERS' EQUITY	
Liabilities:	
Accounts payable and accrued expenses	480,301
Securities sold, not yet purchased - at market value (Note 3)	6,441
Total liabilities	486,742
Commitments and Contingencies (Notes 5 and 6)	
Stockholders' equity (Note 7)	
Common stock, no par value, 1,000 shares	
authorized, 200 shares issued and outstanding.	25,000
Additional paid-in capital	3,733,000
Retained earnings	(2,031,577)
Total stockholders' equity	1,726,423
Total liabilities and stockholders' equity	\$ 2,213,165

#### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

#### Note 1 - Nature of Business

R. F. Lafferty & Co., Inc. (The "Company"), a New York corporation formed for the purpose of conducting business as a broker-dealer in securities, is registered with the Securities and Exchange Commission. The Company is a member of the Financial Industry Regulatory Authority (FINRA).

The Company operates under the provisions of Paragraph (k) (2) (ii) of Rule 15c3-3 of the Securities and Exchange Commission and, accordingly, is exempt from the remaining provisions of that rule. Essentially, the requirements of Paragraph (k) (2) (ii) provide that the Company clears all transactions on behalf of customers on a fully disclosed basis with a clearing broker/dealer, and promptly transmits all customer funds and securities to the clearing broker/dealer. The clearing broker/dealer carries all of the accounts of the customers and maintains and preserves all related books and records as are customarily kept by a clearing broker/dealer.

#### Note 2 - Summary of Significant Accounting Policies

#### a) Revenue Recognition

Securities transactions (and the recognition of related income and expenses) are recorded on a settlement date basis. Commission income and related expenses are recorded on a settlement date basis. There is no material difference between settlement date and trade date.

#### b) Income Taxes

The Company has elected to be treated as an "S" Corporation under the provisions of the Internal Revenue Code and New York State tax regulations. Under the provisions, the Company does not pay federal or state corporate income taxes on its taxable income. Instead, the stockholder is liable for individual income taxes on his respective share of the Company's taxable income. The Company continues to pay New York City general corporation taxes.

#### c) Cash and Cash Equivalents

The Company considers demand deposited money market funds to be cash equivalents. The Company maintains cash in bank accounts which, at times, may exceed federally insured limits or where no insurance is provided. The Company has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

#### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

#### Note 2 - Summary of Significant Accounting Policies (continued)

#### d) Fair Value Measurements

The Company carries its investments at fair value. ASC 820, Fair Value Measurements and Disclosure, defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

- Level 1 Fair values derived from unadjusted quoted prices of identical assets in active markets.
- Level 2 Fair values derived from quoted prices of similar assets in active markets, quoted prices for identical or similar assets in markets that are not active and model driven valuations in which all significant inputs are observable in active markets.
- Level 3 Fair values derived from inputs which are not observable in markets.

The following table represents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as at December 31, 2016:

_	Fair Value Measurements Using			
	Total	Quoted Price	Significant	
		in Active	Other	Significant
		Markets for	Observable	Unobservable
		Identical	Inputs	Inputs
		Assets		
_	Total	(Level 1)	(Level 2)	(Level 3)
Equities	\$759,597	\$554,836	\$204,761	\$-0-
Bonds	173,010	173,010	-0-	-0-
Equities (sold short)	( 6,441)	( 6,441)	-0-	-0-

#### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

#### e) Fixed Assets

Fixed assets are carried at cost and are depreciated over a useful life of 5-7 years.

#### f) Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses.

#### g) Subsequent Events

The Company has evaluated events and transactions that occurred between January 1, 2017 and February 02, 2017, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

#### Note 3- Marketable Securities Owned, and Sold, Not Yet Purchased.

Marketable securities consist of securities at quoted market values, as illustrated below:

	<u>Owned</u>	Sold, Not Yet Purchased
Equities	\$759,597	\$6,441
Bonds	173,010	
	<u>\$932,607</u>	<u>\$6,441</u>

#### Note 4 - Commitments and Contingencies

Office Space

The Company rents office space pursuant to a lease agreement expiring January 31, 2019

#### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

The aggregate minimum annual rent commitment follows, exclusive of escalation charges:

Year	Amount
2017	333,196
2018	341,525
2019	14,245

#### Note 5 - Financial Instruments with Off-Balance Sheet Credit Risk

As a securities broker, the Company is engaged in buying and selling securities for a diverse group of institutional and individual investors. The Company introduces these transactions for clearance to another broker-dealer on a fully disclosed basis.

The Company's exposure to credit risk associated with non-performance of customers in fulfilling their contractual obligations pursuant to securities transactions can be directly impacted by volatile trading markets which may

impair customers' ability to satisfy their obligations to the Company and the Company's ability to liquidate the collateral at an amount equal to the original contracted amount. The agreement between the Company and its clearing broker provides that the Company is obligated to assume any exposure related to such non-performance by its customers. The Company seeks to control the aforementioned risks by requiring customers to maintain margin collateral in compliance with various regulatory requirements and the clearing broker's internal guidelines. The Company monitors its customer activity by reviewing information it receives from its clearing

broker on a daily basis, and requiring customers to deposit additional collateral, or reduce positions, when necessary.

#### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

#### Note 6 - Net Capital Requirement

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 1500%. At December 31, 2016, the Company had net capital of \$1,170,987 which was \$716,554 in excess of its required net capital of \$454,433. The Company's net capital ratio was 41.57%.



## Schedule of the Determination of SIPC Net Operating Revenues and General Assessment

For the year ended December 31, 2016

## R.F. Lafferty & Co., Inc. DECEMBER 31, 2016

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132 Nassau Street, New York, NY 10038 - Tel 212.571.0064 / Fax 212.571.0074

Jay Lerner, C.P.A. jlerner@lernersipkin.com Joseph G. Sipkitt, C.P.A. jsipkin@lernersipkin.com

To the Stockholders of R.F. Lafferty & Co., Inc. 40 Wall Street Suite 1901 New York, NY 10005

#### Gentlemen:

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments to the Securities Investor Protection Corporation ("SIPC") for the year ended December 31, 2016, which were agreed to by R.F. Lafferty & Co., Inc., ("Company") and SIPC, solely to assist you in evaluating the Company's compliance with Rule 17a-5(e)(4). The Company's management is responsible for the Company's compliance with those requirements. This agreedupon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed are as follows:

- 1- Compared the listed assessment payments with respective cash disbursement records entries, noting no exceptions;
- 2- Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2016 with the amounts reported in the General Assessment Reconciliation (Form SIPC-7) for the year ended December 31, 2016, noting no exceptions;
- 3- Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting no exceptions;
- 4- Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments, noting no exceptions; and
- 5- Compared the amount of any overpayment applied with the Form SIPC-7 on which it was computed; noting no exceptions.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Secone & Liph. CAA, LLP (NY)

February 2, 2017

#### **R.F LAFFERTY & CO INC**

Schedule of the Determination of SIPC Net Operating Revenues and General Assessment For the year ended December 31, 2016

#### **Determination of SIPC Net Operating Revenues:**

Total Revenues (FOCUS line 12/ Part IIA line 9)	\$	6,920,683		
Additions		432,842		
Deductions		(2,666,281)		
SIPC Net Operating Revenues	<u>\$</u>	4,687,244		
Determination of General Assessment:				
SIPC Net Operating Revenues:	<u>\$</u>	4,687,244		
General Assessment @ .0025	-	11,718		
Assessment Remittance:				
Less: Payment made with Form SIPC-6 in July 2016		(5,314)		
Assessment Balance Due	<u>\$</u>	6,404		
Reconciliation with the Company's Computation of SIPC Net Operating Revenues for the year ended December 31, 2016:				
SIPC Net Operating Revenues as computed by the Company on Form SIPC-7	\$	4,687,244		
SIPC Net Operating Revenues as computed above		4,687,244		
Difference	<u>\$</u>	-		

# **VORKING COPY**

SIPC-7

(33-REV 7/10)

#### SECURITIES INVESTOR PROTECTION CORPORATION P.O. Box 92185 Washington, D.C. 20090-2185 202-371-8300

**General Assessment Reconciliation** 

**SIPC-7** (33-REV 7/10)

For the fiscal year ended December 31 , 20 16 (Read carefully the instructions in your Working Copy before completing this Form)

#### TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS

1. N	ame of Member, address, Designated Examining Authoroses of the audit requirement of SEC Rule 17a-5:	rlly, 1934 Act registration no. and mon	th in which fiscal year ends for
<b>F</b> F	RF Lafferty & Co Inc ATTN: Teresa Gallo 40 Wall Street, Ste 1704	Note: If any of the informati requires correction, please form@sipc.org and so indica	on shown on the mailing label e-mail any corrections to ite on the form filed.
	New York, NY 10005-1390 9-87126	Name and telephone numbe respecting this form.	•
		Jay Gettenberg 212-	668-8700
2. A	. General Assessment (item 2e from page 2)		\$ <u>11,718</u>
В	<ul> <li>Less payment made with SIPC-6 filed (exclude interest)</li> <li>July 25, 2016</li> </ul>	)	( 5,314
	Date Paid		•
C	. Less prior overpayment applied		
D	. Assessment balance due or (overpayment)		6,404
E	. Interest computed on late payment (see instruction E	E) fordays at 20% per annum	
F	. Total assessment balance and interest due (or overp	payment carried forward)	<u>\$ 6,404</u>
G	<ul> <li>PAID WITH THIS FORM:</li> <li>Check enclosed, payable to SIPC</li> <li>Total (must be same as F above)</li> </ul>	<u>\$ 6,404</u>	·
H	. Overpayment carried forward	\$(	_)
_	ubsidiaries (S) and predecessors (P) included in this io	rm (give name and 1934 Act registration	on number):
pers	on by whom it is executed represent thereby	RF Lafferty & Co Inc	
	all information contained herein is true, correct complete.	<u> </u>	pership or other organization)
	·	fauthoriza	d Signature)
Date	d the 20 day of January , 20 17.	Accoun	
This	form and the assessment payment is due 60 days a period of not less than 6 years, the latest 2 years i	fter the end of the fiscal year. Retai	lie)
恶	Dates:		
	Postmarked Received Revi	lewed	
ĒŽ	Calculations Doct	umentation	Forward Copy
Š	Exceptions:		
SIP	Dates: Postmarked Received Revi Calculations Docu Exceptions: Disposition of exceptions:	•	

## DETERMINATION OF "SIPC NET OPERATING REVENUES" AND GENERAL ASSESSMENT

Amounts for the fiscal period <u>, 20 16</u> beginning Jan. 1 and ending Dec 31 Eliminate cents Item No. s 6,920,683 2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030) (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above. 432.842 (2) Net loss from principal transactions in securities in trading accounts. (3) Net loss from principal transactions in commedities in trading accounts. (4) Interest and dividend expense deducted in determining item 2a. (5) Net loss from management of or participation in the underwriting or distribution of securities. (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities. (7) Net loss from securities in investment accounts. 432,842 Total additions 2c. Deductions: (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products. (2) Ravenues from commodity transactions. (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with 2,239,899 securities transactions. (4) Reimbursements for postage in connection with proxy solicitation. 411,684 (5) Net gain from securities in investment accounts. (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that meture nine months or less from issuance date. (7) Direct expenses of printing advertising and legel fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act). (8) Other revenue not related either directly or indirectly to the securities business. (See Instruction C): (9) (I) Total Interest and dividend expense (FOCUS Line 22/PART IIA Line 13. Code 4075 plus line 2b(4) above) but not in excess 4.698 of total interest and dividend income. (ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS lina 5, Code 3960). 14.698 Enter the greater of line (i) or (ii) 2,666,281 Total deductions 4,687,244 2d. SIPC Net Operating Revenues 11,718 2e. General Assessment @ .0025 (to page 1, fine 2.A.)